

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03  
NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15  
AID-05 CEA-01 COME-00 EB-08 FRB-01 STR-04 TRSE-00  
LAB-04 SIL-01 OMB-01 ITC-01 IO-13 /108 W  
-----231728 013523 /43

R 231420Z FEB 77  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 2916  
INFO USMISSION EC BRUSSELS  
USMISSION UNESCO PARIS

UNCLAS SECTION 1 OF 2 ROME 2844

E.O. 11652: N/A  
TAGS: ETRD, EC, IT  
SUBJECT: REQUEST FOR INFORMATION CONCERNING IMPLEMENTATION  
OF ANNEX D OF THE FLORENCE AGREEMENT IN EC MEMBER STATES

REF.: (A) STATE A-211, 1/13/77; (B) ROME 2845

/SUMMARY./ THIS RESPONSE TO REPAIR WAS DEVELOPED THROUGH CON-  
SULTATIONS WITH OFFICIALS OF CUSTOMS SERVICE, MINISTRY OF FINANCE  
(MINFIN), AND DIRECTORATE GENERAL OF INDUSTRIAL PRODUCTION MI-  
NISTRY OF INDUSTRY (MININD). THESE OFFICIALS REPEATEDLY CLAIMED  
THAT GOI HAS APPLIED FLORENCE AGREEMENT UNDER LIBERAL CRITERIA  
AND WILL CONTINUE TO DO SO. /END SUMMARY./

1. UNTIL RECENTLY GOI MAINTAINED THAT FLORENCE AGREEMENT WAS  
NOT RPT NOT AFFECTED BY TREATY OF ROME BECAUSE FLORENCE  
AGREEMENT PREDATES IT. THUS, EC DECISION TO APPLY COMMUNITY  
AVAILABILITY TEST TO IMPORTS OF SCIENTIFIC INSTRUMENTS WAS  
ENFORCED ONLY FOR COUNTRIES NOT ADHERING TO THE FLORENCE AGREE-  
MENT WHILE IMPORTS FROM U.S. CONTINUED TO BE CARRIED OUT ON THE  
BASIS OF THE "IMPORTING COUNTRY CONCEPT." HOWEVER, UNDER PRESSURE  
FROM EC ITALY WAS FORCED TO ADOPT EC REGULATION NO.

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1798/75 AND EC COMMISSION REGULATION NO. 3195/75 WITH RESPECT  
TO ALL COUNTRIES, INCLUDING THE U.S., EFFECTIVE DECEMBER 6'76.

2. SINCE RATIFYING THE FLORENCE AGREEMENT, ITALY'S IMPLEMENTATION  
OF IT WITH REGARD TO IMPORTS OF SCIENTIFIC INSTRUMENTS HAS BEEN  
MOST LIBERAL. MOST APPLICATIONS FOR DUTY-FREE ENTRY INVOLVED  
US-MADE INSTRUMENTS. AND THE GREAT MAJORITY WERE APPROVED.

ITALY'S LIBERAL ATTITUDE CONTINUES, DESPITE EC REGULATIONS. MININD, WHICH DETERMINES SCIENTIFIC NATURE, AVAILABILITY AND EQUIVALENT SCIENTIFIC VALUE OF INSTRUMENTS PROPOSED TO BE IMPORTED UNDER THE FLORENCE AGREEMENT, ASSUMED THAT HIGH-TECHNOLOGY SCIENTIFIC INSTRUMENTS, SUCH AS THOSE CUSTOMARILY IMPORTED FROM THE UNITED STATES, ARE GENERALLY NOT PRODUCED LOCALLY AND ARE ESSENTIAL FOR THE ADVANCEMENT OF SCIENTIFIC RESEARCH IN ITALY. UNDER ARRANGEMENT WITH EC, MEMBER COUNTRIES HAVE DISCRETION WHETHER OR NOT TO CONSULT IN CASES OF INSTRUMENTS VALUED UP TO 25000 UNITS OF ACCOUNT (UA). MININD STATES THAT CONSULTATIONS ARE SELDOM REQUESTED AND THUS MOST APPLICATIONS ARE ROUTINELY APPROVED. WHERE VALUE EXCEEDS 25000 UA, CONSULTATION IS MANDATORY. MININD CONSULTS TO MINIMUM POSSIBLE EXTENT; IN PRACTICE, WITH FRG AS FRG IS ASSUMED TO BE ONLY EC COUNTRY PRODUCING INSTRUMENTS EQUIVALENT TO US PRODUCTS. IF FRG FAILS TO RESPOND IN ONE MONTH, OR RESPONDS NEGATIVELY, DUTY-FREE ADMISSION IS GRANTED PROMPTLY. IF FRG REPLIES THAT EQUIVALENT INSTRUMENTS /ARE/ AVAILABLE IN GERMANY, THIS IS BROUGHT TO THE ATTENTION OF THE ITALIAN APPLICANT. IF LOCAL APPLICANT IS THEN SATISFIED THAT THE INSTRUMENT IN QUESTION CAN BE PROCURED IN GERMANY, HE IS REQUESTED TO WITHDRAW HIS APPLICATION. IF, INSTEAD, APPLICANT DISAGREES, MININD ADVISES EC COMMISSION AND FORWARDS APPLICANTS TECHNICAL ARGUMENTS CONTESTING THE GERMAN DETERMINATION. MININD CARRIES OUT WHATEVER FINAL DECISION IS REACHED BY EC.

3. ON THE BASIS OF ITS EXPERIENCE, MININD ESTIMATES LOSS FROM NEW TIGHTER PROCEDURE AT ABOUT 5 PERCENT (VALUE) OF TOTAL ITALIAN IMPORTS OF US SCIENTIFIC INSTRUMENTS UNDER FLORENCE AGREEMENT.  
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4. FOLLOWING ARE THE ANSWERS KEYED TO QUESTIONNAIRE IN REPAIR:

(I. 1.A)- NO.

(I. 1.B)- EACH APPLICATION IS EXAMINED ON ITS MERITS.

(I. 1.B)- (CONT'D) GENERALLY INSTRUMENTS LISTED ARE CONSIDERED TO BE WITHIN THE SCOPE OF THE FLORENCE AGREEMENT AND EC REGULATIONS IF THEY ARE CHARACTERISTICALLY USED FOR "PURE" SCIENTIFIC RESEARCH.

(I. 1.C)- MINISTRY OF INDUSTRY, COMMERCE AND HANDICRAFTS;  
DIRECTORATE GENERAL FOR INDUSTRIAL PRODUCTION, ROME.

(I. 1.D)- NO.

(I. 2.A)- NO.

(I. 2.B)- MOST PUBLIC AND PRIVATE INSTITUTIONS AUTHORIZED TO ENGAGE IN EDUCATIONAL ACTIVITIES AND/OR PURE SCIENTIFIC RESEARCH ARE WELL-KNOWN TO MINFIN (WHERE APPLICATIONS FOR DUTY-FREE ADMISSION ARE REQUIRED TO BE SUBMITTED). IN DOUBTFUL CASES MINFIN REQUESTS THAT APPLICANT PRODUCE CERTIFICATE ISSUED BY APPROPRIATE GOI AGENCY (I.E. MINISTRY OF PUBLIC EDUCATION, NATIONAL RESEARCH COUNCIL, ETC.).  
(MORE)

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.....ETC.).

(II. 1.) MINISTRY OF FINANCE, DIRECTORATE GENERAL OF CUSTOMS.

(II. 2.) YES.

(II. 3.) YES.

(II. 4.) INFORMATION REQUIRED TO BE SUBMITTED IS THAT SPECIFIED IN EC REGULATIONS.

(III. 1.A) MINISTRY OF INDUSTRY, COMMERCE AND HANDICRAFTS, DIRECTORATE GENERAL FOR INDUSTRIAL PRODUCTION.

(III. 1.B.) BASIS FOR EVALUATION IS INFORMATION REQUIRED TO BE SUBMITTED IN APPLICATION.

(III. 1.C) DETERMINATION IS MADE PRINCIPALLY ON THE BASIS OF SUITABILITY OF THE DOMESTIC INSTRUMENTS FOR SPECIFIC USES

INDICATED BY THE APPLICANT.

(III. 1.D) NO FORMAL PROCEDURE. IF NECESSARY, OFFICER WHO  
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EXAMINES APPLICATION CONSULTS INFORMALLY WITH TECHNICAL EXPERTS  
IN THE GOVERNMENT AND/OR PRIVATE INDUSTRY.

(III. 2.A) NO.

(III. 2.B) NO.

(III. 2.C) SEE INTRODUCTORY REMARKS.

(III. 2.D) SEE INTRODUCTORY REMARKS.

(III. 2.E) IT MUST BE IN ACTUAL PRODUCTION.

(III. 2.F) NOT NECESSARILY.

(IV. A.) DECISIONS ARE NOTIFIED DIRECTLY TO APPLICANT WITHOUT  
PUBLICATION IN ANY OFFICIAL BULLETIN.

(IV. B.) DECISION MUST IDENTIFY PARTICULAR

(IV. B.) (CONT'D) EQUIVALENT MODEL PRODUCED BY DOMESTIC INDUSTRY  
WHEN DUTY-FREE TREATMENT IS DENIED.

(IV. C.) A TECHNICAL STATEMENT IS USUALLY GIVEN IN NEGATIVE  
DECISIONS TO SUBSTANTIATE CLAIM THAT AN EQUIVALENT DOMESTIC  
INSTRUMENT IS SUITABLE FOR THE SPECIFIC PURPOSES MENTIONED BY THE  
APPLICANT.

(IV. D.) MININD IS REQUIRED TO EXPLAIN REASONS FOR ITS  
DECISIONS BUT NOT TO PROVIDE ANY GIVEN DOCUMENTATION TO SUPPORT  
ITS DECISIONS (ALTHOUGH IT MAY SOMETIMES DO SO).

(IV. E.) DECISIONS RENDERED BY ANY GOI AGENCY, INCLUDING MININD,  
ARE SUBJECT TO APPEAL BEFORE THE COUNCIL OF STATE, WHICH OPERATES  
AS AN ADMINISTRATIVE COURT.

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(IV. F.) FILES ON DECISIONS ARE MAINTAINED IN MININD AND  
ARE AVAILABLE TO INTERESTED PARTIES FOR VIEWING DURING WORKING  
HOURS.

(V.) YES.

(VI.) OFFICIAL CONSULSTED DID NOT WISH TO PROVIDE SPECIFIC ANSWERS TO THE QUESTIONS UNDER THIS SECTION. HE STATED THAT IF AND WHEN ONE OR MORE CASES ARE FORWARDED TO THE

(VI.) (CONT'D) EC COMMISSION THEY WILL BE DEALT WITH IN ACCORDANCE WITH EC REGULATION NO. 3195/75.

(IVV. 1. AND 2) NO STATISTICS OR OTHER DATA ARE OR WILL BE AVAILABLE EXCEPT THOSE WHICH ARE OR WILL BE PUBLISHED BY THE APPROPRIATE EC AUTHORITIES.BEAUDRY

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## Message Attributes

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**Channel Indicators:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 STATE A-211, 77 ROME 2845  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REQUEST FOR INFORMATION CONCERNING IMPLEMENTATION OF ANNEX D OF THE FLORENCE AGREEMENT IN EC MEMBER STATES  
**TAGS:** ETRD, IT, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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